

Southern Middle TENNESSEE

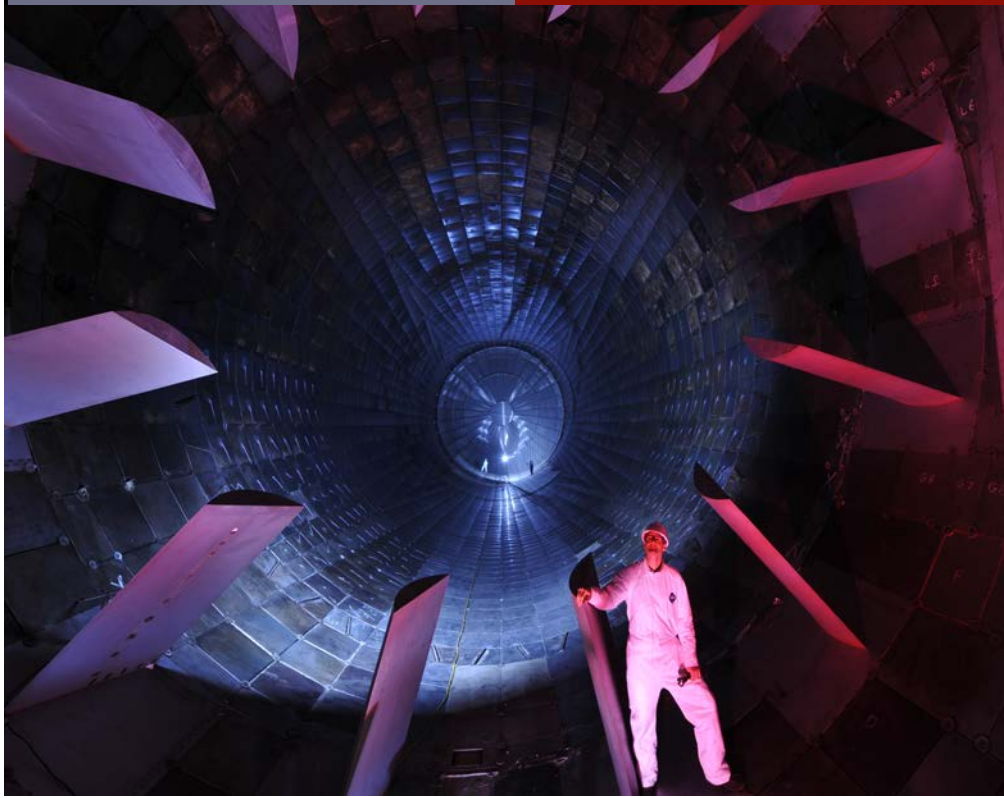
REGIONAL STRATEGIC PLAN



TABLE OF CONTENTS

Executive Summary	2
Regional Overview	4
Regional Strategies	8
Action Items	11
Regional Partners	12





Southern Middle Tennessee



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*Bedford, Coffee, Franklin, Giles, Hickman,
Lawrence, Lewis, Lincoln, Marshall,
Maury, Moore, Perry, Wayne.*

EXECUTIVE SUMMARY

Gov. Bill Haslam's top priority is making Tennessee the No. 1 location in the Southeast for high quality jobs. In April 2011, Governor Haslam released his Jobs4TN plan, which laid out four key strategies for achieving this goal: (1) prioritizing business development efforts in six key clusters in which the state has a competitive advantage; (2) reducing business regulation; (3) investing in innovation; and 4) establishing regional jobs base camps in each of the nine regions across the state. One of those nine regions is Southern Middle Tennessee.

The Southern Middle Tennessee region rests between the Tennessee River in the west and I-24 in the east. Interstate 65 crisscrosses the region from north to south while US Highway 64 stretches from east to west across the southern counties. With such great transportation arteries and close proximity to both

Huntsville, Ala. and Nashville, Tenn., the region has witnessed significant growth over the past decade. As of the 2010 census, the 13 counties that comprise the region are home to 423,343 Tennesseans. The region's economy is very diverse, with approximately 25,563 people employed in manufacturing, 20,283 employed in retail, 16,070 employed in healthcare and 15,241 employed in agriculture. The region's manufacturing base is also diverse and includes companies in the automotive, chemical products and plastics, food processing, and advanced manufacturing sectors.

This regional strategic plan was developed from ideas generated at a strategic planning workshop held in August 2011. Approximately 80 of the region's economic and workforce development stakeholders participated in this meeting.

A consensus in the region is that its

economic development recruitment efforts will focus largely on the aerospace, automotive, chemical products and plastics, and energy sectors. ECD's regional staff will work with its regional and local economic development partners to develop a marketing plan for these target sectors as well as to provide feedback on the state's existing incentive package.

ECD's regional staff will also partner with the Tennessee Valley Authority (TVA) to develop a plan for sharing best practices in responding to prospect Request for Information (RFI) and Request for Proposal (RFP) with the region's local economic developers.

Since many of the region's largest manufacturers have been vocal about the challenges they are facing to remain competitive in today's economy, ECD's regional staff will partner with TVA and

the University of Tennessee Center for Industrial Services (UTCIS) to develop a cohesive set of industrial technical assistance programs for existing manufacturers.

In addition, local economic developers will visit the corporate headquarters of existing companies in the region to express the region's gratitude for the companies' presence in the region and discuss any opportunities to recruit additional suppliers, customers or affiliated companies to the region.

Southern Middle Tennessee also has a long history of entrepreneurship. ECD's regional staff will work to connect the region's ECD-funded entrepreneurial accelerator with businesses and economic development organizations in the region to ensure that the accelerator is able to identify entrepreneurs, mentors and angel investors from across the region.

The region recognizes that having a high-quality workforce is critical to both the region's short-term and long-term economic growth. As a result, the region's partners will work together to identify the region's workforce development needs and align training programs in the region with those needs. In addition, the region will work to develop and launch at least one new higher education partnership focused on training high-tech workers. ECD's regional staff will also work with ECD's larger rural economic development initiative to identify communities that are interested in launching programs to retrain individuals to work in the information technology and customer support sectors.

REGIONAL OVERVIEW

Southern Middle Tennessee rests between the Tennessee River in the west and I-24 in the east. Interstate 65 crisscrosses the region from north to south while US Highway 64 stretches from east to west across the southern counties. With such great transportation arteries and close proximity to both Huntsville, Ala. and Nashville, Tenn., the region has witnessed significant growth over the past decade. The 13 counties that comprise the Southern Middle Tennessee region are home to 423,343 Tennesseans and are very diverse. For example, while Moore County has a population of 6,362 and is home to Jack Daniel's Distillery, Maury County has a population of 80,956 and is home to a General Motors manufacturing facility. Similarly, while Perry County has an unemployment rate near 15 percent, Lincoln County has the state's lowest unemployment rate at 6.2 percent.

Like its counties, the region's economy is diverse, with approximately 25,563 people employed in manufacturing, 20,283 employed in retail, 16,070 employed in healthcare and 15,241 employed in agriculture. The region's manufacturing base is also very diverse and includes companies in the automotive, chemical products and plastics, food processing and advanced manufacturing sectors. The region is home to several higher education institutions including the University of the South (Sewanee), Martin Methodist College, Columbia State Community College, Motlow State Community College, three Tennessee Technology Centers and the University of Tennessee Space Institute, a graduate education and research institute located adjacent to the U. S. Air Force Arnold Engineering Development Complex in Tullahoma.

The region's abundant water supply has made the region famous for its distilleries, which include Jack Daniel's in Lynchburg (Moore County), George Dickel's in Tullahoma (Coffee County) and Prichard's Fine Rum in Kelso (Lincoln County). Perhaps one of the most interesting facts about the region is that for more than a century, every drop of Jack Daniel's Whiskey found anywhere in the world has been made in Lynchburg, Tennessee.

The 13 counties that make up the Southern Middle Tennessee region include:

Bedford County: Bedford County is home to 45,058 residents

and a number of distribution centers, automotive suppliers, manufacturing companies, logistics and trucking operations and agribusinesses. Tourism is also a major industry in the county. It is home to the Tennessee Walking Horse National Celebration in Shelbyville, the RC Cola and Moon Pie Festival in Bell Buckle and the Music Fest in Wartrace. The county also has two educational institutions: a Tennessee Technology Center and the Middle Tennessee Educational Center, a joint campus of Middle Tennessee State University and Motlow State Community College.

Coffee County: Coffee County is home to 52,796 residents, and cities such as Manchester (the county seat), population 10,102, and Tullahoma, population 18,579. The county has successfully developed a diverse industrial base consisting of firms in aerospace testing, advanced manufacturing, electronics and automotive suppliers. This region is home to the U.S. Air Force Arnold Engineering Development Complex, as well as the Bonnaroo Music Festival, the largest camping music festival in the United States and second largest in the world.

Franklin County: Franklin County is home to 41,052 residents, and located 65 miles west of Chattanooga, 80 miles southeast of Nashville, and 45 miles northeast of Huntsville, Ala. Franklin County is serviced by US Highway 64, a four-lane divided highway that connects I-24 (17 miles) and I-65 (55 miles). Franklin County is home to the University of the South and UT Space Institute, a strong industrial base (companies in the automotive, aerospace, advanced manufacturing, plastics and rubber, textile and carpet manufacturing sectors), and diverse natural beauty including 250 miles of Tim's Ford Reservoir shoreline. The Franklin county seat is located in Winchester.

Giles County: Giles County is home to 29,485 residents, located amongst rolling hills and home to a diverse industrial base that includes automotive, commercial printing, food processing and solar production, including the Southeast's first solar parking array. The county also has strong agricultural and retail sectors. Pulaski, the county seat, has the capability to extend fiber optic connectivity to every home and business within its city limits. Pulaski is also home to Martin Methodist

College and a Tennessee Technology Center.

Hickman County: Hickman County is home to 24,690 residents, and located on the southwest corner of the Nashville Metropolitan Statistical Area. Located on I-40 and I-840, the county is home to a wide range of businesses that rely on the county's pro-business environment and rural work ethic. The region also has strong agriculture, forestry, and tourism sectors. While Centerville serves as the county seat, Bon Aqua and Lyles in east Hickman County (near Nashville) are the county's fastest growing residential and commercial areas.

Lawrence County: Home to 41,869 residents, Lawrence County is located 75 miles southwest of Nashville and 40 miles north of Florence, Ala. The county's main thoroughfare, US Highway 64, is a four lane highway that intersects I-65. Lawrence County is home to the incorporated cities of Lawrenceburg, Loretta, St. Joseph, and Ethridge, as well as a diverse industrial base and workforce. Lawrence County has several available industrial buildings plus a certified business park. The county is home to the Columbia State Community College Lawrenceburg Campus.

Lewis County: Home to 12,161 residents, Lewis County is a small, flourishing community. The county's strategic location, combined with its qualified workforce, are each key to its success. German immigrants founded the City of Hohenwald in 1878, and a group of Swiss immigrants settled south of Hohenwald in 1894 and built their "New Switzerland". The two towns later merged under the name Hohenwald. The county's diverse industrial base includes electronics, PVC compound, modular home tie downs, auto racing, and fiberglass walk-in tub manufacturers. The county is home to a Tennessee Technology Center.

Lincoln County: Home to 33,361 residents, Lincoln County is located at the center of the economically diverse Tennessee Valley. The county's main thoroughfare, US Highway 64, is a four lane highway that connects I-24 and I-65. The area has many advantages, but its proximity to the major cities of Huntsville, Ala. (31 miles), Nashville (82 miles) and Chattanooga (96 miles) are among its biggest advantages. With its

dynamic location, motivated workforce and superb business climate, Lincoln County is ideally suited to growing enterprises large and small. The county seat is Fayetteville and is home to the Motlow State Community College's Fayetteville Center.

Marshall County: Marshall County is home to 30,617 residents and the incorporated cities of Chapel Hill, Cornersville, Lewisburg and Petersburg. The county is strategically located 50 miles south of Nashville and 50 miles north of Huntsville, Ala. along I-65. Lewisburg, the county seat and largest city, has a diverse industrial base that includes tier two and three automotive suppliers, logistics and distribution services and cosmetic, defense, plastic injection molding, die casting, powder coating, and container manufacturers. The region also has a strong agricultural and regional retail base. The county is home to two post secondary institutions: a Tennessee Technology Center and Columbia State Community College Lewisburg Campus.

Maury County: Home to 80,956 residents, Maury County is strategically located 30 miles south of Nashville and 60 miles North of Huntsville, Ala. The county's primary industries include healthcare, insurance and manufacturing. While Columbia, the county seat, is located directly off I-65 and is the gateway to the Southern Middle Tennessee market, Mount Pleasant offers a strong manufacturing base with solid access to rail for industrial users. Spring Hill, in the northern part of the county, was the fastest growing city in Tennessee in both 2009 and 2010. The county is home to Columbia State Community College's main campus and the Northfield Workforce Development Center.

Moore County: Home to 6,362 residents, Moore County is one of only three Counties in Tennessee to have a metro form of government. Bordering Coffee, Lincoln, Bedford, and Franklin counties, Moore County is the home of Jack Daniel Distillery, which attracts over 200,000 tourists to the county each year. The county is home to Motlow State Community College's main campus.

Perry County: Located only seven miles from I-40, Perry County is home to 7,915 residents. Bordered on its west by the

Tennessee River and bisected by the Buffalo River, Perry County has recently diversified its economic base by adding technical service and programming jobs as well as a new automotive manufacturer. With a focus on growing its retail and tourism sectors, including a new river resort in Lobelville and new shops throughout the county, the county is focused on leveraging its natural beauty to enhance its economic development.

Wayne County: Home to 17,021 residents, Wayne County is the largest county in Tennessee geographically, second in size only to Shelby County (the home of Memphis). Beautiful terrain abounding with rivers, caves and rolling hills makes Wayne County "Nature's Playground." The county's primary industries are timber, tourism, and injection molding. Wayne County is home to the incorporated cities of Clifton, Waynesboro and Collinwood. The county is also home to Columbia State Community College Clifton Campus.

SOUTHERN MIDDLE TENNESSEE *AT A GLANCE*

	Population 2010	Median Age 2005-2009	HS Graduate or Higher % Population aged 25+	Bachelor's or Higher % Population aged 25+	Labor Force (Oct. 2011)	Available Labor (Oct. 2011)	Unemployment Rate (Oct. 2011)	Average Private Sector Annual Income (2010)	Nearest Public Riverport (in miles from county seat)	Nearest Commercial Airport (in miles from county seat)	Nearest Interstate (in miles from county seat)
SOUTHERN MIDDLE	423,343	38.7	77.8%	14.0%	193,420	21,860	10.2%	\$32,713	Nashville, New Johnsonville, South Pittsburg, Decatur, AL & Florence, AL	Nashville International, McKellar Sipes Regional and Huntsville International	I-24, I-40 and I-65
Bedford	45,058	35.0	72.3%	13.0%	23,260	2,530	9.8%	\$33,129	Nashville - 58 miles	Nashville International - 53 miles	35 miles to access I-65 and 20 miles to I-24
Coffee	52,796	39.4	79.8%	18.4%	25,910	2,620	9.1%	\$38,039	South Pittsburg - 43 miles	Nashville International - 56 miles	Direct access to I-24
Franklin	41,052	40.1	79.1%	17.1%	19,930	2,050	9.3%	\$30,009	South Pittsburg - 38 miles	Huntsville International - 59 miles	I-24 lies just outside Franklin County
Giles	29,485	41.4	79.3%	13.8%	13,570	1,520	10.1%	\$33,917	Decatur, AL - 47 miles	Huntsville International - 61 miles	Direct access to I-65
Hickman	24,690	38.2	73.3%	9.0%	10,320	1,090	9.5%	\$28,013	New Johnsonville - 48 miles	Nashville International - 68 miles	Direct access to I-40
Lawrence	41,869	38.6	74.6%	10.8%	16,650	2,220	12.0%	\$28,817	Florence, AL - 40 miles	Huntsville International - 73 miles	28 miles to access I-65
Lewis	12,161	38.7	76.3%	9.4%	5,470	680	11.3%	\$23,193	Florence, AL - 68 miles	Nashville International - 82 miles	42 miles to access I-40
Lincoln	33,361	40.7	78.4%	15.9%	17,850	1,150	5.8%	\$30,302	Decatur, AL - 54 miles	Huntsville International - 42 miles	19 miles to I-65 41 miles to I-24
Marshall	30,617	37.9	77.7%	11.4%	12,240	1,780	13.2%	\$31,202	Nashville - 56 miles	Nashville International - 59 miles	Direct access to I-65
Maury	80,956	37.5	82.3%	16.1%	35,680	4,770	12.1%	\$37,425	Nashville - 46 miles	Nashville International - 49 miles	Direct access to I-65
Moore	6,362	42.2	81.3%	14.3%	3,100	260	7.8%	\$41,788	South Pittsburg - 60 miles	Huntsville International - 58 miles	25 miles to access I-24
Perry	7,915	42.5	73.5%	7.2%	2,710	390	12.7%	\$26,064	New Johnsonville - 54 miles	Nashville International - 97 miles	22 miles to access I-40
Wayne	17,021	39.6	74.0%	7.9%	6,730	800	10.7%	\$27,452	Florence, AL - 42 miles	McKellar-Sipes Regional - 93 miles	51 miles to access I-40

Source: U.S. Census Bureau, US Bureau of Labor Statistics, Tennessee Department of Labor and Workforce Development

REGIONAL STRATEGIES

Recruitment

During the strategic planning process, the region's local economic development partners identified four target market sectors: aerospace, automotive, biofuels, chemical products and plastics. The region's competitive advantage in each of these sectors is described briefly below:

Aerospace: The aerospace industry has significant growth potential in the eastern portion of the region near Tullahoma where Arnold Engineering Development Complex (AEDC), the most advanced and largest complex flight simulation test facility in the world, is located. The region's close proximity to Army Material Command and NASA in Huntsville, Ala. also provide competitive advantages for recruiting aerospace companies to the region.

Automotive: With its central location between Nissan's plant in Smyrna, Volkswagen's plant in Chattanooga and General Motors' plant in Spring Hill, the entire Southern Middle Tennessee region is well-positioned to recruit automotive suppliers. With several large suppliers already present, the region is well positioned to expand its automotive supply base.

Biofuels: In the more rural western portion of the region, there is an ample supply of feedstock for biofuels production. This is because the region produces a large amount of biomass as well as wood waste from the forest industry, which has a strong presence in the western portion of the region. The presence of this already existing biomass and forestry waste creates a competitive advantage for the region in the biofuels sector.

Chemicals and Plastics: Southern Middle Tennessee is already home to many chemicals and plastic manufacturers. In addition, the region's Tennessee Technology Center has recently developed specific training programs focused on plastic molding injection. Leveraging these unique assets, the region is well positioned to expand its presence in the chemicals and plastics sector.

The region has identified several concrete strategies for pursuing these sectors:

Execute a Marketing Plan for Target Sectors: ECD's regional staff will work with its local economic development partners to

identify available sites and properties in the region that would be conducive to each of the target sectors outlined above. These same partners will work together to develop and distribute electronic and printed marketing materials highlighting the region's strengths in each of these target sectors. In addition, local economic development organizations and ECD's regional staff will work together to identify key existing industries in these target sectors and meet with the executives at each of these companies to discuss if there are any suppliers, customers or affiliated companies who might be interested in moving to the region.

Develop an Industrial Development Board (IDB) Member Information Packet: Newly appointed members are sometimes unfamiliar with economic development etiquette. ECD and TVA's regional staff will coordinate and develop a packet to help members of the industrial development boards understand their role and responsibility. ECD's regional staff will compile information from local industrial development board members and economic development professionals on best practice approaches and advice by Q3 2012.

Existing Business Outreach

ECD's research has shown that over 86 percent of new jobs in Tennessee are created by existing businesses. To assist these existing industries, ECD's regional team will partner with local economic development organizations to visit the region's existing businesses to identify their needs, expansion opportunities and any risks the companies are facing. ECD's regional staff will specifically work to implement the following strategies:

Visit Existing Employers' Corporate Headquarters: ECD's regional staff will work with its local economic development partners to coordinate periodic visits to the corporate headquarters of large employers in the region. These visits will be used to show corporate headquarters that their business in Tennessee is appreciated and to explore possibilities for expansion as well as recruiting associated suppliers, customers or affiliated companies to the region. To develop a target list of corporate headquarters, ECD's regional staff will work with TVA and local economic development organizations to identify the headquarter locations of the top employers in the region. Trips will be arranged to visit the headquarters as feasible.

Develop a Supplier Database: Currently, existing Tennessee and U.S. companies are experiencing the stresses of reverse engineering and increased transportation costs associated with overseas or out-of-state suppliers. Along with exploring expansion possibilities, ECD's regional staff is working with TVA and local economic development organizations to establish a supplier database. The regional partners will utilize this database to respond to the pressure of high transportation costs and reverse engineering. This will provide companies opportunities to partner with suppliers that are in close proximity.

Innovation

Many of the largest existing employers in the region were created by home-grown entrepreneurs who started and built their business over a number of years. Developing the next generation of entrepreneurs is critical to the region's continued economic growth. Specifically, ECD's regional staff will work with its local economic development partners to grow the innovation culture in the region through several strategies.

Help the Region's Accelerator Build Partnerships: ECD's regional staff will connect the Southern Middle Tennessee Entrepreneurship Center to the various economic development players in the region, including local economic development organizations and higher education institutions. The hope is that these connections will assist the accelerator in identifying entrepreneurs, mentors and angel investors from across the region who are interested in participating in the accelerator's programs.

Expand Rural Business Services Initiatives: In Perry County, a nonprofit called Vision Perry has piloted a Digital Factory Network that is slowly helping transform a traditional manufacturing economy into a business services economy. Vision Perry is focused on helping retrain individuals for jobs in the information technology, health information technology and customer services fields. In the past year, Vision Perry has helped train and get over 150 individuals in Perry County to work. Vision Perry is now in the process of expanding into other communities in the region. In addition, as part of its rural economic development strategy, ECD will be launching a statewide rural business services pilot focused on helping retrain individuals in rural counties for jobs in the information technology and customer service fields. Leverag-

ing this pilot as well as the local work of Vision Perry, ECD's regional staff hopes to assist at least two counties in the region in launching new rural business services initiatives.

Leverage Arnold Engineering Development Center: AEDC's Small Business Innovative Research (SBIR) department has developed a portfolio of companies who have bid on innovative projects in the past. Currently the SBIR portfolio consists mainly of companies on the east and west coast. ECD will work with AEDC to build a portfolio of innovative companies and individuals who are located within 200 miles of the base. To achieve this goal, ECD's regional staff will introduce existing businesses who are good candidates to AEDC's SBIR leadership.

Workforce Development

The Southern Middle Tennessee region is blessed by a number of high quality workforce development partners including the Tennessee Department of Labor and Workforce Development's Workforce Employment Outreach Committee (WEOC), Workforce Investment Area 6 (Workforce Solutions), Workforce Investment Area 10 (Workforce Alliance), Motlow State Community College, Columbia Community College and three Tennessee Technology Centers. These workforce development partners will work together to undertake the following initiatives:

Identify Regional Workforce Development Needs: During the regional roundtables held to develop this strategic plan, it became clear there is a lack of understanding between businesses and educational institutions on what specific skills are lacking or needed. For example, statements such as "there is a lack of qualified workers" and "we can't find a good employee" were extremely common to hear from local industries. Therefore, it became clear there is a need to systematically develop a better understanding of the region's current and future workforce needs. To achieve this goal, ECD's regional staff will work with its local economic and workforce development partners to develop a regional action committee to identify specific jobs skills needed to support existing industries as well as attract new industries. As part of this effort, the group will develop and distribute a workforce needs assessment survey to existing businesses in the region.

Align Training Programs with Identified Needs: After the region's workforce development needs are identified, ECD's regional staff will work with its regional economic and workforce development partners to determine the best ways to meet these needs. Specifically, these partners will convene businesses to critique current programs offered in these areas of need as well as to offer ideas for how new or improved programs in these areas of need could be developed. As part of this effort, the partners will look for creative ways to work with businesses to develop these training programs including exploring ways to jointly purchase equipment, train faculty or develop program curricula.

ACTION ITEMS

Action Item #1: Provide training to local economic developers to share best practices for completing recruitment project RFPs and RFIs.

ECD and TVA's regional staff will gather ECD and TVA's feedback on recent RFIs and RFPs responses submitted from the region and hold regional training sessions to share best practices in completing RFIs and RFPs with the region's local economic developers.

Action Item #2: Provide existing businesses with a cohesive set of industrial technical assistance offerings.

One of the major concerns heard during the development of this strategic plan was the ability of the region's large manufacturers to remain competitive in today's global economy. Although various federal, state and local economic development partners offer technical assistance programs to assist industries in improving their manufacturing processes, these offerings cannot be found in a single place. To address this issue, ECD's regional staff will work with the UTCIS and TVA to develop a cohesive set of industrial technical assistance offerings for existing industries. These services will range from UTCIS programs to engage experts to help manufacturers solve specific manufacturing problems and implement new processes to TVA programs for conducting energy audits and power quality studies on existing industrial equipment. ECD's regional staff will create a summary of these tools that can be easily distributed to manufacturers.

Action Item #3: Expand rural business service initiatives to at least two new counties in the region.

As part of its rural economic development strategy, ECD will be launching a statewide rural business services pilot focused on helping retrain individuals in rural counties for jobs in the information technology and customer service fields. Leveraging this pilot as well as the local work of a nonprofit called Vision Perry, ECD's regional staff hopes to assist at least two counties in the region in launching new rural business services initiatives in 2012.

Action Item #4: Facilitate the creation of at least one new higher education partnership focused on training high-tech workers.

Currently, several K-12 school systems in the region have partnerships with Arnold Engineering Development Complex and NASA

to expose elementary and high school students to advanced engineering and robotics programs. In addition, Motlow State Community College has partnered with local business leaders in McMinnville to develop a new Mechatronics program. Using these programs as models, ECD's regional staff will work with its local economic and workforce development partners to launch at least one new higher education partnership focused on training high-tech workers. This partnership will specifically look to leverage existing relationships with Arnold Engineering Development Center in Tullahoma and NASA in Huntsville, Ala.

SOUTHERN MIDDLE TENNESSEE REGIONAL PARTNERS

- Columbia State Community College
- Connected Tennessee
- Local Chambers of Commerce
- Local Utility Districts
- Martin Methodist College
- Middle Tennessee Industrial Development Association
- Motlow State Community College
- South Central Tennessee Development District
- South Central Tennessee Tourism Association
- Startup Tennessee
- Tennessee Career Centers
- Tennessee Department of Agriculture
- Tennessee Department of Economic and Community Development
- Tennessee Department of Environment and Conservation
- Tennessee Department of Labor and Workforce Development
- Tennessee Department of Tourist Development
- Tennessee Department of Transportation
- Tennessee Small Business Development Center
- Tennessee Technology Centers
- Tennessee Valley Authority
- U.S. Small Business Administration
- U.S. Economic Development Agency
- U.S. Department of Agriculture Rural Development
- University of Tennessee Center for Industrial Services
- University of Tennessee Municipal Technical Advisory Service
- University of Tennessee County Technical Assistance Service

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